



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Robert L. Morgan
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Division Director

February 4, 2003

Michael A. Schott
Geokinetics, Inc.
One Riverway, Suite 2100
Houston, Texas 77056

Re: Authorization to Reduce Reclamation Surety, Geokinetics, Inc., Seep Ridge Project,
M/047/002, Uintah County, Utah

Dear Mr. Schott:

Thank you for providing the requested information regarding the five-year review status of your Seep Ridge Project Mine, located in Uintah County, Utah. The last reclamation surety cost estimate for this mine was calculated at \$21,700 in 1996 dollars. Upon review of the information furnished by Geokinetics, Inc. and a site visit to verify the site conditions, the Division finds that the bond as calculated in 1996 can be reduced to eliminate several of the reclamation activities listed at that time. This is based upon Paul Baker's November 14, 2002 inspection of the site. Much of the site had been reclaimed at the time of the 1996 Reclamation Estimate, but had not been seeded. The reseeding work still remains to be completed. The revised reclamation surety estimate covers costs for ripping and seeding of the site.


The revised surety estimate for the Seep Ridge Project escalated to the year 2007 is \$13,500. A \$8,200 surety reduction is authorized by the Division. A new reclamation cost estimate reflecting these changes is attached for your use. You may notify your bank to modify or amend the existing Certificate of Deposit [REDACTED] to reflect the new amount, or you may choose to post another form of surety. Please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms, or you may access the current forms on our Division website at: www.nr.utah.gov.

If you post another form of surety, we will require a new Reclamation Contract (Form MR-RC), which is also located on the web. If you decide to replace the form of surety, please fax a "draft" copy of the documents so we can review them for completeness and accuracy, before they are finalized.

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February 4, 2003

Please notify Wayne Hedberg at (801) 538-5286, or Doug Jensen at (801) 538-5382 of your intentions regarding the reduced surety, or if you have any questions concerning this letter. Thank you for your reclamation efforts.

Sincerely,


Lowell P. Braxton
Director

jb
Attachment: Surety estimate update
cc: John Blake SITLA (ML 45256)
Doug Jensen, DOGM
O:\M047-Uintah\M047002-SeepRidge\final\bondreduce.doc

Reclamation Estimate - Reclamation Remaining

Geokinetics, Inc.

Seep Ridge Project

DOGM File # M/047/002

Prepared by Utah State Division of Oil, Gas & Mining

Last Revision 7/16/96

Filename M/047/002.xls

-This estimate lists features which remain to be reclaimed at Seep Ridge site as of inspection on 11/14/02

-Dimensions shown were estimated by the Division using an aerial photo dated 8/5/83

-Estimate is an estimate to complete remaining earthwork and seeding.

-Current estimate of disturbed acreage (not yet seeded) = **13.27 Acres**

Feature	length	width	acreage	regrade	rip	disc	seed	Total \$
Tank farm #2	450	300	3.10	0.00	0.00	774.79	774.79	1550
Sanitary landfill	50	500	0.57	0.00	0.00	143.48	143.48	287
Road to sanitary landfill	20	60	0.03	0.00	15.15	6.89	6.89	29
Trailer camp spot	100	100	0.23	0.00	0.00	57.39	57.39	115
Trailer camp spot	100	100	0.23	0.00	0.00	57.39	57.39	115
Road thru trailer camp	20	1500	0.69	0.00	378.79	172.18	172.18	723
Road to trailer camp	20	1100	0.51	0.00	277.78	126.26	126.26	530
Slab area near pipeline	100	100	0.23	0.00	0.00	57.39	57.39	115
Tank area #1	250	200	1.15	0.00	0.00	286.96	286.96	574
Shop area	400	300	2.75	0.00	0.00	688.71	688.71	1377
Road - pipeline to shop	20	800	0.37	0.00	202.02	91.83	91.83	386
Road - shop to office	20	600	0.28	0.00	151.52	68.87	68.87	289
Office	250	250	1.43	0.00	0.00	358.70	358.70	717
Generator pad near office	60	60	0.08	37.19	0.00	20.66	20.66	79
Secondary road to well	20	300	0.14	0.00	75.76	34.44	34.44	145
Assorted roads thru site	20	2600	1.19	0.00	656.57	298.44	298.44	1253
Shale pile	100	100	0.23	103.31	0.00	57.39	57.39	218
Water well #1	20	20	0.01	0.00	0.00	2.30	2.30	5
Water well #2	20	20	0.01	0.00	0.00	2.30	2.30	5

Sub-total \$8,511

Transfer water wells 2 well 200 \$400

Supervision 2 days 400 \$800

Mobilization 1 equip. 1000 \$1,000

Sub-total \$10,711

Add 10% Contingency \$1,071

2003 Sub-total \$11,782

Add 5 years escalation at 2.82% \$1,758

Total \$13,540

Rounded Total in 2007 \$ \$13,500

Average cost per acre disturbed = \$1,017